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1
    Andrew H. Wilson
    WILSON, RYAN & CAMPILONGO
 2
    235 Montgomery Street
    Suite 450
 3
    San Francisco, California 94104
    (415) 391-3900
 4
    Laurie J. Bartilson
 5
    BOWLES & MOXON
    6255 Sunset Boulevard
 6
    Suite 2000
    Hollywood, California
                            90028
 7
    (213) 661-4030
 8
    Attorneys for Plaintiff
    CHURCH OF SCIENTOLOGY INTERNATIONAL
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12
    CHURCH OF SCIENTOLOGY
    INTERNATIONAL, a California
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## SUPERIOR COURT OF THE STATE OF CALIFORNIA

## FOR THE COUNTY OF MARIN

Case No. 152229 not-for-profit religious SUPPLEMENTAL DECLARATION corporation; OF LAWRENCE E. HELLER Plaintiff, VS. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.

- I, Lawrence E. Heller, hereby declare:
- I am an attorney at law duly licensed to practice before the courts of the State of California. I am a principal in the law firm of Turner, Gerstenfeld, Wilk, Tigerman, Heller & Young. All of the following facts are within my personal knowledge and I am available and competent to personally testify thereto if called upon to do so.
- During the summer of 1986 various entities of the Church of Scientology settled four cases before the Hon. Elizabeth Kovachevich, District Court Judge, United States District Court

for the Middle District of Florida, Tampa Division. I am fully familiar with the terms of the settlements in each of these cases as I was actively involved in the negotiations, the drafting of the agreements, and the process by which they were ultimately approved after careful review by Judge Kovachevich.

- 3. Following agreement by counsel for the various parties, an outline of the terms of the settlements was read into the record before Judge Kovachevich in an in camera proceeding so as not to compromise the confidentiality clauses in the agreements. Judge Kovachevich then ordered counsel to incorporate the terms of the settlements into written agreements which were submitted for her review and approval. I personally participated in the process by which Judge Kovachevich reviewed all four written settlement agreements in her chambers and expressly approved each one. I estimate this procedure lasted three hours.
- 4. As I have described in my previous declaration before this Court, I am thoroughly familiar with the contents of the Settlement Agreement signed by Gerald Armstrong in the case of Church of Scientology v. Armstrong, Case. No. C 420 153, L.A.S.C. The terms of the Armstrong Settlement Agreement at issue in this Court are substantially similar and in many instances identical to

Tonja C. Burden v. Church of Scientology of California, et al., United States District Court Middle District of Florida, Case No. 80-501-Civ-T-17; Gabriel Cazares and Margaret Cazares v. Church of Scientology of California, Merrell Vannier, Francine Vannier, Mary Sue Hubbard, L. Ron Hubbard and Joe Lisa, a/k/a/Peter Joseph Lisa, United States District Court Middle District of Florida, Case No. 82-886-Civ-T-15; Nancy Mclean and John McLean v. the Church of Scientology of California, et al., United States District Court Middle District of Florida, Case No. SI-174-CIV-t-08; Margery Wakefield v. The Church of Scientology of California, United States District Court Middle District of Florida, Case No. 82-1313-Civ-T-10.

the terms of the four court approved Florida settlement agreements. These include provisions governing confidentiality, non-disclosure, prohibitions against aiding litigants adverse to the Church of Scientology, restrictions on rendering of testimony, and requirements that Scientology materials be returned to the Church. All such provisions were originally reviewed by Judge Kovachevich prior to her issuance of her order approving the respective settlements.

Subsequent to the settlement of the four Florida cases, one of the plaintiffs in the McLean case, and plaintiff Wakefield in the Wakefield case, were the subject of proceedings brought by the Church to enforce the settlement agreements. I have reviewed court decisions which reflect that both Judge Kovachevich and the United States Court of Appeals for the Eleventh Circuit have recognized the validity of the settlement agreements. McLean case, the district court entered a preliminary and permanent injunction enjoining plaintiff Nan McLean from further disclosing the substance of her complaint and claim against the Church, alleged wrongs committed by the Church and the substance of documents that were returned to the Church under the settlement agreement. The court of appeals affirmed. (Slip op.) In Wakefield the district court issued a preliminary and permanent injunction against plaintiff Margery Wakefield to enjoin further violations of the settlement agreement. Subsequently, a magistrate judge issued a report and recommendation, not yet acted upon by the district court, concluding that Wakefield had wilfully violated the court's injunction and suggesting that each case be referred to the United States Attorney's Office for prosecution on

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criminal contempt charges. 938 F.2d 1226 (11th Cir. 1991). It is my understanding that Ford Greene, Esq. represented Ms. Wakefield at the contempt hearing until Mr. Green withdrew.

- 6. I have read the memorandum filed by Gerry Armstrong in opposition to the Church's motion for preliminary injunction in the instant case. Certain allegations are made by Gerry Armstrong about the conduct of various attorneys, including myself, with respect to the Armstrong settlement agreement which are misleading and in some instances false. I shall address these next.
- 7. With regard to Armstrong's contention that Michael Flynn mislead Judge Breckenridge respecting the appeal of the main Armstrong action, this is just not correct. Mr. Flynn clearly states to the Breckenridge court that the settlement will not affect the appeal of the underlying case (see Flynn quote on page 29 of Opposition) when he states "certain issues in that case (the underlying case) are going to remain on appeal pursuant to the stipulation of the parties." Indeed, the appellate court was well aware of the settlement of Armstrong's cross complaint when they ruled.
- 8. Armstrong's assertion that my prior declaration (paragraph 3) was a misrepresentation is also incorrect. I specifically stated in that declaration that only Armstrong's cross complaint was settled, not the main action brought by CSC (page 32 of the Opposition). Indeed, that is precisely what transpired.

I declare, under the penalty of perjury, that the foregoing is true and correct.

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Executed this 18th day of March, 1992, at Los Angeles, California.

LAWRENCE E. HELLER